

MECHANICAL REPAIR SERVICE CONTRACT

This agreement describes the coverage **You** will have under **Your** Mechanical Repair Service Contract (hereafter referred to as "Service Contract"). In return for payment by **You** of the **Service Contract Price** and subject to all the terms of this Service Contract, **We** agree with **You** as follows:

I. WHAT THIS SERVICE CONTRACT COVERS

Coverage - During the Service Contract Period **We** will pay a **Repair Facility**, or at **Our** option, reimburse **You** the **Cost** to remedy any **Breakdown** of the parts listed below, less **Deductible**. Parts not listed are not covered by this Service Contract.

At the Administrator's option, replacement parts used in covered repairs may include new, remanufactured, used or non-original equipment manufactured parts. All parts will conform to manufacturer's specifications.

SAPPHIRE COVERAGE:

- 1. ENGINE and WATER PUMP** - The following parts only are covered: pistons, piston rings, piston pins, crankshaft and main bearings, connecting rods and rod bearings, camshaft and camshaft bearings, timing chain and timing gears, intake and exhaust valves, valve springs, oil pump, push rods, rocker arms, hydraulic lifters, rocker arm shafts and water pump. All internally lubricated parts of the turbocharger/supercharger (factory installed only). The engine block, cylinder heads and turbocharger/supercharger housing are also covered if the above-listed parts caused a Breakdown of the engine block, cylinder heads or turbocharger/supercharger housing. No other parts are included under this Contract. Parts that require normal manufacturer's recommended replacement intervals are not covered under this Contract. Seals and gaskets are only covered when required in connection with the replacement of a covered part.
- 2. TRANSMISSION/TRANSAXLE** - All internally lubricated parts of manual or automatic transmissions, including oil pump, drums, planetaries, sun gear and shell, shafts, bearings, side gears, carrier pinion gear, ring gear, shift rail, forks, synchronizers, and torque converter. Breakdown of the Transmission/Transaxle case if caused by the failure of an internally lubricated covered part. Damage resulting from failure by related parts or units such as, but not limited to: friction parts, such as clutches, of any kind, levers, controls, linkage, cables, radiator, coolers, rubber mounts, external oil lines, viscous couplings, drive axles and electrical components, internal or external, to the engine and transmission are not covered. Seals and gaskets are only covered when required in connection with the replacement of a covered part.
- 3. TRANSFER CASE** - All internally lubricated parts of the 4 X 4 Transfer Case. Breakdown of the Transfer Case if caused by the failure of an internally lubricated covered part. Damage resulting from failures by related parts or units such as, but not limited to: friction parts, such as clutches, of any kind, levers, controls, linkage, cables, radiator, coolers, rubber mounts, external oil lines, viscous couplings, drive axles and electrical components, internal or external, to the Transfer Case are not covered. Seals and gaskets are only covered when required in connection with the replacement of a covered part.

4. **RENTAL** - In the event of a **Breakdown** covered by this Contract, **We** will pay or reimburse **You** for receipted expenses to rent a replacement vehicle (from a licensed rental agency) or for alternate public transportation while **Your Vehicle** is at a licensed repair facility. Coverage will be provided to **You** on the following basis, up to a maximum of thirty dollars (\$30) for every eight (8) labor hours, or portion thereof, of applicable labor time required to complete the repair, up to a maximum of one hundred fifty dollars (\$150) for each repair visit. This Coverage does not apply to the time waiting for parts, services, weekends or other delays beyond the control of the repair facility or the **Administrator**. However, an additional three (3) days of rental Coverage applies in the event of a parts delay when an internal repair or replacement is performed on a major component (Engine, Transmission, Drive Axle). No Deductible will apply to this Coverage.
5. **EMERGENCY ROAD SERVICE** - In the event **Your Vehicle** is disabled, **We** will dispatch a service **Vehicle** to **Your** location to assist **You**. In the event **Your Vehicle** is unable to continue under its own power, **Your Vehicle** may be towed to a location of **Your** choosing. **You** will receive twenty-five (25) miles of towing at no cost. Any additional mileage will be **Your** responsibility and payment will be expected at the time service is rendered. When calling for towing or road service, **You** must call 1-866-330-0760. **You** will be required to give the representative assisting **You** the following information: Producer Code-96581, **Your** Member Number (which is **Your** contract number on the top right of **Your** contract) and **Your** plan letter which is U. Coverage: **You** are entitled to one (1) service per seventy-two (72) hours. Services available to **You** at no cost are: a tow up to twenty-five (25) miles, battery jumpstart, flat tire change, fuel delivery (**You** are responsible for the actual cost of the delivered materials), locksmith. Reimbursement: In the event **Your Vehicle** is disabled and **You** contracted for any of the above covered services on **Your** own, **You** will be able to submit **Your** original receipted road service expenses for reimbursement consideration. Maximum for any covered services is strictly limited to one hundred dollars (\$100.00). **You** must send **Your** original receipted roadside bills along with a letter of explanation to: Prime Auto Care, Inc., 1081 Hanover Street, Wilkes-Barre, PA, 18706-2028.
6. **LABOR** - Labor charges are based on Mitchell flat rate time to repair or replace a covered component up to one hundred dollars (\$150.00) per hour.
7. **TRIP INTERRUPTION** - In the event of covered Mechanical **Breakdown** which occurs more than one hundred (100) miles from **Your** home and results in a repair facility keeping the **Vehicle** overnight, **We** will reimburse **You** for receipted motel and restaurant expenses, up to ninety dollars (\$90.00) per day for a maximum of three (3) days. Total benefits shall not exceed two hundred seventy dollars (\$270.00) Per Occurrence. Prior authorization is not required for Trip Interruption benefits.
8. **ELECTRICAL** - Alternator, voltage regulator, heater fan, starter motor, starter solenoid and starter drive.
9. **AIR CONDITIONING** - Condenser, compressor, and evaporator. Orifice Tube and Accumulator/Receiver Dryer is also covered if required in connection with the repair of a covered part listed above. Seals and gaskets are only covered when required in connection with the replacement of a covered part.
10. **ENHANCED ELECTRICAL** - power window motors and regulator; power door lock actuators; power trunk switch; power antenna motor.

11. **COOLING** – Cooling Fan; Cooling Fan motors and fan clutch.

12. **FUEL SYSTEM** – Fuel Pump; fuel injection pump; metal fuel lines; fuel pressure regulator; fuel sending unit; and fuel gauge.

Only the components listed in the above systems are covered by this Service Contract. No other components, other than those listed above under “What This Service Contract Covers”, are covered by this Service Contract.

III. KEY TERMS - When used, Key Terms will appear in bold print.

“**Vehicle**” means the covered car or truck shown on the front of this Service Contract.

“**You**” and “**Your**” mean the customer (private individual) shown on the front of this Service Contract, or an eligible person to whom this Service Contract has been properly transferred.

“**We**”, “**Us**” and “**Our**” mean the obligor of this Service Contract: Prime Auto Care, Inc., 1081 Hanover Street, Wilkes-Barre, PA 18706, 1-800-292-3555; Fax: (570) 270-6124; www.primeautocare.com.

“**Administrator**” means the company that provides administrative services for this Service Contract: Prime Auto Care, Inc., 1081 Hanover Street, Wilkes-Barre, PA 18706, 1-800-292-3555; Fax: (570) 270-6124; www.primeautocare.com.

“**Breakdown**” means the failure of any original or like replacement part covered by this Service Contract to perform its intended function(s) in normal service, including worn beyond service limits, providing it has received all scheduled maintenance as recommended by the manufacturer in the Owners Manual.

“**Cost**” means the reasonable and customary charges for parts and labor necessary to repair or replace the parts covered. These charges shall not exceed the manufacturer's suggested retail price for parts and labor allowances derived from nationally recognized labor time publications.

At the Administrator's option, replacement parts used in covered repairs may include new, remanufactured, used or non-original equipment manufactured parts. All parts will conform to manufacturer's specifications.

“**Warranty**” means any **Warranty** of the manufacturer, state required **Warranty**, dealer **Warranty** or a **Repair Facility** guarantee.

“**Deductible**” means the amount **You** must pay for covered repairs per visit. The standard **Deductible** is \$100. If **Your Cost** is a **Warranty Deductible** charge imposed by the manufacturer, this Service Contract will pay the manufacturer's **Deductible**.

“**Months**” means the number of **Months** shown on the front of this Service Contract.

“**Miles**” means the number of **Miles** shown on the front of this Service Contract.

“**Service Contract Price**” means the amount **You** paid for this Service Contract shown on the front of this Service Contract.

“**Service Contract Purchase Date**” means the date **You** purchased this Service Contract.

“**Repair Facility**” means a franchised dealer or licensed **Repair Facility**. Repairs performed by any facility must receive authorization from the **Administrator** prior to beginning repairs.

“Selling Dealer” means the dealer from whom You purchased this Service Contract shown on the front of this Service Contract.

IV. WHAT THIS SERVICE CONTRACT DOES NOT COVER

MAINTENANCE AND PARTS NOT COVERED: THE MAINTENANCE SERVICES AND PARTS DESCRIBED UNDER MAINTENANCE REQUIREMENTS AS SHOWN IN THIS SERVICE CONTRACT OR IN THE MANUFACTURER’S MAINTENANCE SCHEDULE FOR YOUR VEHICLE.

IN ADDITION, WE WILL NOT PAY BENEFITS:

1. FOR COSTS COVERED BY ANY WARRANTY OF THE MANUFACTURER, STATE REQUIRED WARRANTY (LEMON LAW), DEALER WARRANTY, INSURANCE POLICY, REPAIR FACILITY’S GUARANTEE, OR ANY OTHER GUARANTEE REGARDLESS OF WHETHER THEY HONOR SUCH WARRANTY OR GUARANTEE.
2. WHEN REPAIRS ARE PERFORMED WITHOUT THE ADMINISTRATOR’S PRIOR AUTHORIZATION.
3. FOR A BREAKDOWN CAUSED BY OR INVOLVING COLLISION, FIRE, THEFT, CONDITIONS OF THE ENVIRONMENT, DAMAGE THAT RESULTS FROM SOMEONE ALTERING THE VEHICLE, MISUSING THE VEHICLE, TAMPERING WITH THE VEHICLE, MAKING IMPROPER ADJUSTMENTS, IMPROPER FUELS, IMPROPERLY MAINTAINING THE VEHICLE, FAILING TO MAINTAIN THE VEHICLE WITHIN MANUFACTURER’S RECOMMENDATIONS, DAMAGE OR FAILURE OF A COVERED COMPONENT CAUSED BY AN NON-COVERED COMPONENT, AND PREVIOUS OR IMPROPER REPAIRS.
4. FOR LOSS OF TIME, ECONOMIC LOSS, INCONVENIENCE, LODGING, FOOD, FREIGHT CHARGES, CORE CHARGES, STORAGE CHARGES, OR OTHER CONSEQUENTIAL LOSS OR DAMAGE THAT RESULTED FROM A BREAKDOWN.
5. FOR A BREAKDOWN WHEN CONTAMINATED OR POOR QUALITY FLUIDS, FUELS, BIOFUELS/FLUIDS (IF NOT RECOMMENDED BY THE MANUFACTURER), LUBRICANTS OR GREASE CAUSED OR CONTRIBUTED TO THE BREAKDOWN. BREAKDOWNS CAUSED BY FUELS CONTAINING MORE THAN 10% ETHANOL (IF THE ENGINE WAS NOT MANUFACTURED FOR THIS FUEL MIXTURE).
6. FOR FLUID LEAKS OR DAMAGE THAT RESULTS FROM FLUID LEAKS.
7. FOR ANY BREAKDOWN CAUSED BY CONTAMINATION, OVERHEATING, LACK OF COOLANT OR LUBRICANTS.
8. FOR A BREAKDOWN CAUSED BY OR INVOLVING MODIFICATIONS UNLESS THOSE MODIFICATIONS WERE PERFORMED BY THE MANUFACTURER (E.G. OVERSIZED TIRES, LIFT KIT, AFTERMARKET PERFORMANCE PARTS OR SYSTEMS).
9. FOR A BREAKDOWN CAUSED BY ABUSE, MISUSE, ALTERATIONS OR LACK OF CUSTOMARY MAINTENANCE AS RECOMMENDED IN SERVICE CONTRACT SECTION IV A. MAINTENANCE REQUIREMENTS AND/OR IN THE MANUFACTURER’S MAINTENANCE SCHEDULE FOR YOUR VEHICLE.
10. FOR A BREAKDOWN OF A COVERED PART RESULTING FROM THE FAILURE OF A NON-COVERED PART.

11. FOR A BREAKDOWN CAUSED BY OR INVOLVING EQUIPMENT, COMPONENTS OR SYSTEMS NOT INSTALLED BY THE MANUFACTURER.
12. IF YOUR VEHICLE'S ODOMETER HAS BEEN STOPPED, ALTERED OR MISREPRESENTS YOUR VEHICLE'S ACTUAL MILEAGE, WHEREBY THIS CONTRACT WILL BE CONSIDERED VOIDED.
13. SEALS AND GASKETS ARE NOT COVERED BY THIS SERVICE CONTRACT UNLESS REQUIRED IN CONJUNCTION WITH A COVERED REPAIR.
14. FOR A BREAKDOWN THAT IS A DIRECT RESULT OF A MECHANICAL OR STRUCTURAL DEFECT WHEN THE MANUFACTURER HAS ANNOUNCED A PUBLIC RECALL FOR THE PURPOSE OF CORRECTING SUCH A DEFECT.
15. FOR ADDITIONAL LOSS OR DAMAGE WHICH IS OCCASIONED BY YOU OR OPERATOR'S FAILURE TO USE ALL REASONABLE PRECAUTIONS TO PROTECT THE VEHICLE FROM ANY FURTHER LOSS OR DAMAGE AFTER A BREAKDOWN OR FAILURE HAS OCCURRED OR BEEN INDICATED.
16. FOR A MECHANICAL BREAKDOWN WHICH EXISTED PRIOR TO, OR WAS CAUSED BY A CONDITION WHICH EXISTED PRIOR TO THE SERVICE CONTRACT PURCHASE DATE.
17. IF YOUR VEHICLE HAD BEEN DECLARED A TOTAL LOSS, SALVAGED OR JUNK VEHICLE, OR HAS ANY OTHER FORM OF BRANDED TITLE.
18. FOR EXPENSES CHARGED FOR DISPOSAL OF ENVIRONMENTALLY UNSAFE MATERIALS.
19. FOR EXPENSES CHARGED FOR NON-SPECIFIC MATERIALS OR SHOP SUPPLIES.
20. IF YOUR VEHICLE WAS MANUFACTURED AS A NON-U.S. SPECIFICATION MODEL.
21. FOR A BREAKDOWN CAUSED BY TOWING A TRAILER OR ANOTHER VEHICLE UNLESS YOUR VEHICLE IS EQUIPPED FOR THIS AS RECOMMENDED BY THE MANUFACTURER.
22. FOR A BREAKDOWN CAUSED BY USING YOUR VEHICLE FOR RACING OR OTHER COMPETITION.
23. IF YOUR VEHICLE HAS BEEN MODIFIED TO PLOW SNOW, WHETHER THE SNOW PLOW BLADE IS ATTACHED TO THE VEHICLE OR NOT.
24. FOR A BREAKDOWN CAUSED BY RUST OR WEATHER RELATED CORROSION.
25. IF YOUR VEHICLE IS USED FOR COMMERCIAL PURPOSES. EXAMPLES OF COMMERCIAL USE INCLUDE BUT ARE NOT LIMITED TO: TAXI, POLICE CAR OR OTHER EMERGENCY VEHICLE, HAULING, CONSTRUCTION (OTHER THAN DRIVING TO AND FROM WORK), PICKUP AND DELIVERY SERVICE, DAILY RENTALS, CARRY PASSENGERS FOR HIRE, SNOWPLOWING AND COMPANY POOL USE OR BUSINESS TRAVEL WHEN THE VEHICLE IS USED BY MORE THAN ONE DRIVER.
26. IF YOUR VEHICLE IS AN EXOTIC VEHICLE OR IS A TRUCK RATED MORE THAN 1 TON.
27. FOR REPAIRS MADE SOLELY TO MEET OR MAINTAIN ANY GOVERNMENTAL EMISSION STANDARDS.
28. DAMAGE CAUSED TO YOUR ENGINE, TRANSMISSION, TRANSFER CASE OR AXLE ASSEMBLY RESULTING FROM WATER INGESTION.

29. FOR REPAIRS OF WATER AND AIR LEAKS, RATTLES, SQUEAKS AND WIND NOISE.

V. YOUR RESPONSIBILITIES

A. Maintenance Requirements and Service History - In order to keep Your Service Contract valid, You must follow the maintenance procedures listed below. If Your failure to follow these procedures causes a Breakdown, You may be denied coverage.

Your Vehicle must be serviced receiving all scheduled maintenance as recommended by the Manufacturer in the Owners Manual.

You must keep receipts which verify the Vehicle Identification Number and all repair orders/maintenance records issued by the Selling Dealer/Repair Facility performing the required services on Your Vehicle. Repair order/maintenance records must include the date, a description of Your Vehicle, mileage and list in detail each of the services performed and maintenance parts replaced. We may require You to furnish the Administrator with proof that the specified services have been performed. Failure to show proof of servicing may result in denial of coverage.

B. Filing a Claim - If Your Vehicle incurs a Breakdown, You must take the following steps to file a claim:

1. Prevent Further Damage – Take immediate action to protect Your Vehicle from further damage. Your Contract will not cover the damage caused by not securing a timely repair when a Breakdown has occurred. You are responsible for observing Your Vehicle warning lights and gauges, and taking appropriate action immediately to prevent further damage. Failure to do so may result in the denial or the limitation of Coverage.
2. Take Your Vehicle to any licensed Repair Facility. Your Vehicle must be at a Repair Facility for a claim to be opened. If You need assistance in locating a Repair Facility, contact the Administrator at 1-800-292-3555.
3. Provide Repair Facility with a copy of Your Contract and/or Your Contract Number.
4. Prior Approval – Prior to any repair being made, have the Repair Facility to contact the Administrator with the estimate of repairs containing both parts and labor, and to obtain an authorization for the claim. The Administrator can be contacted Monday through Friday, 9:00 a.m. to 7:00 p.m. at 1-800-292-3555. Emergency repairs, done outside of working hours, may be submitted to Customer Service with a letter of explanation for payment consideration. If it is determined that a covered component has failed and the estimate for the repair is agreed upon by our adjuster, an authorization number will be issued by the Administrator. The amount authorized by the Administrator is the maximum amount that will be paid for repairs covered under the terms of this Contract. No repairs are to be made on Your Vehicle until an authorization number is issued by the Administrator. Any claim for repairs without prior authorization will not be covered.
5. Authorize Tear-Down - Authorize the Repair Facility to perform necessary diagnostic work and provide "teardown" authorization so that the Repair Facility can provide accurate diagnosis and estimate of repairs.

6. Allow the Administrator to inspect Your Vehicle prior to any repairs being made.
7. After investigating Your Vehicle's component failure, in case of a discrepancy in findings, the Administrator reserves the right to have repairs done at a location other than the one you have selected.
8. Payment of Claims - To obtain payment for a covered repair You, or the Repair Facility must submit a legible copy or original repair order to the Administrator. Repair orders must be readable and understandable, and contain the following information: Repair Facility name, address and phone number, Your name, address and phone number, repair diagnosis, parts and labor hours, authorization number, vehicle identification number, vehicle mileage, year, make and model. Authorization number issued by the Administrator must appear on all receipts submitted for reimbursement. No invoices will be processed without a valid authorization number. Once authorization is obtained, and the repair is completed, all repair orders and documentation must be submitted to the Administrator within 180 days to be eligible for payment. CUSTOMER'S INITIALS _____ I have read and understand my responsibilities as outlined in Section IV "Your Responsibilities" (WA State only).

VI. GENERAL PROVISIONS

1. **Service Contract Period** - The term of this Service Contract is the **Months** and **Miles** as shown on the Service Contract. The term begins on the **Service Contract Purchase Date** and at the mileage as shown on the Service Contract. The term ends when the **Months** from the **Service Contract Purchase Date** is reached or when the additional **Miles** are registered on the odometer, whichever occurs first.
2. **When And Where You Are Covered** - This Service Contract applies only to **Breakdowns** occurring within the contract period in the continental United States of America, Alaska, and Hawaii.
3. **If You Have Other Coverage** - If the manufacturer or **Repair Facility** agrees to cover all or some of the **Cost** of a **Breakdown** after a **Warranty** or guarantee has expired, **We** will pay only for any extra **Cost** subject to the limits of this Service Contract.
4. **Subrogation** - If **We** pay for a loss, **We** may require **You** to assign to **Us** **Your** rights of recovery against others. **We** will not pay for a loss if **You** impair these rights to recover. **Your** rights to recover from others may not be waived.
5. **How This Service Contract May Be Transferred** - This used vehicle service contract is transferable to subsequent owners. The charge to transfer is one hundred dollars (\$100.00). The transferred service contract will remain in effect for the remainder of the original coverage period. Without a transfer to the new owner, this contract is terminated at the time of sale or when the contract holder no longer owns the vehicle.
6. **How This Service Contract May Be Canceled - Including Refunds And Charges Cancellation By You** - **You** may cancel this Service Contract at any time. To cancel, **You** must submit a written request and return the Service Contract to the **Administrator**. If **You** cancel this Service Contract within thirty (30) days of the **Service Contract Purchase Date**, a 100% refund of the **Service Contract Price** will be made, less any claims paid. All refunds will be paid to the Lienholder, if any, otherwise to **You**.

Cancellation By Us - We may cancel this Service Contract for any reason within ninety (90) days of the **Service Contract Purchase Date** or any time with just cause (unless otherwise as indicated by Your state, within the State Amendment section), including:

- If there has been a material misrepresentation or fraud;
- If **You** have failed to maintain **Your Vehicle** as prescribed by the manufacturer.
- If **Your Vehicle's** odometer is inoperative, inaccurate, or has been altered and **You** have failed to repair the odometer;
- If **You** do not pay the **Service Contract Price**.
- If **You** use **Your Vehicle** in any manner not covered by this Service Contract; or
- If **Your Vehicle** has a salvage title.

If **We** cancel this Service Contract, **We** will mail **You** written notice prior to cancellation. A pro-rata refund of the lesser of unused **Months** or unused **Miles** will be made less any claims paid or approved. The pro-rata refund will be calculated by multiplying the **Service Contract Price** by the lesser percentage of the unused **Months** or unused **Miles** compared to the total **Months** or total **Miles** of **Your** Service Contract Period. All refunds will be paid to the Lienholder, if any, otherwise to **You**.

Cancellation By Lienholder - If this Service Contract is financed, the Lienholder (shown on the front of the Service Contract) may cancel the Service Contract in the event **You** default in **Your** obligation to such Lienholder or in the event **Your Vehicle** is declared a total loss or is repossessed.

7. **Insurance** - **Our** obligations under this Service Contract are insured under an Insurance Policy issued by Wesco Insurance Company, 59 Maiden Lane, 6th Floor, New York, NY 10038. In the event **We** cease to operate, are bankrupt or **Your** claim is not paid within sixty (60) days after proof of loss has been filed, **You** may file a direct claim with Wesco Insurance Company. To do so, please call the following toll-free number for instructions: 1-866-505-4048.
8. **Entire Service Contract** - This Service Contract represents the entire agreement between **You** and **Us**. No person has the authority to change this Service Contract or to waive any of its provisions. No other written or oral statements apply to this Service Contract.